

Town of Frederick Board of Trustees



Eric Doering, Mayor

Sue Wedel, Mayor Pro Tem
Liberta Hattel, Trustee
Amy Schiers, Trustee

Tony Carey, Trustee
Gerry Pfirsch, Trustee
Jim Wollack, Trustee

AM 2010-030

Consideration of Lease Agreement for Town-Owned Property at 323 Fifth Street

Agenda Date: Town Board Meeting – March 23, 2010

Attachments:

- a. First Amendment to Office Building Lease
- b. Original Lease Agreement

Fiscal Note: _____


Administrative Services Director

Submitted by: Derek Todd
Town Administrator

Approved for Presentation: 
Town Administrator

AV Use Anticipated Projector _____ Laptop _____

Certification of Board Approval:

Town Clerk

Date

Summary Statement:

This item considers the renewal of the lease for the Town-owned property located at 323 Fifth Street currently occupied by Civil Resources.

Detail of Issue/Request:

When this lease was originally created, Civil Resources had hoped that they would have begun construction of their new facility on Main Street prior to the expiration of the lease. Additionally, the Town had planned that if growth continued on its then-current path, the Town might need the office space at 323 Fifth Street to house some of the Town operations. When growth slowed, it became apparent to both parties that the lease relationship between Civil Resources and the Town would likely

need to continue beyond the expiration of the original lease and that the lease relationship would be mutually beneficial to both parties.

Legal/Political Considerations:

The proposed amendment to the lease has been reviewed by the Town Attorney's Office and found to be acceptable considering the Town's interests and correct as to legal form.

Alternatives/Options:

The current lease relationship both provides a favorable tenant for the Town's property. During discussions between the parties, various elements of the lease were considered. The term of the lease termination notice was determined to be too short and was lengthened due to the fact the Town would require additional time to plan for re-utilization of the property and Civil Resources would require additional time to pack and relocate computer equipment and other business components, in the event that the other party chose to terminate the lease. The lease increase amount was also discussed, but since the lease language stipulates that the increase will be "the greater of 4% or the Boulder/Denver CPI", there was not much of a question as to what was required. The Board is welcome to consider the lease as presented here, stipulate modifications, or decide not to renew the lease. However, the recommendation from staff is that the Board renew the lease in some form since the office space is not currently needed for Town staff expansion and since Civil Resources has been a very favorable tenant.

Financial Considerations:

The 2010 Budget document assumes that this property will continue to be leased and provide lease income to the Town through 2010 and beyond.

Staff Recommendation:

It is recommended that the Board adopt the lease amendment as presented.